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DeNUCCI CITES ELIGIBILITY ISSUES
AT DEPT. OF TRANSITIONAL ASSISTANCE

State Auditor Joe DeNucci issued a report today showing that Department of Transitional Assistance (DTA) records lacked up-to-date information on some recipients of Transitional Aid to Families with Dependent Children (TAFDC), leaving the department without adequate supporting documentation of recipients' continued eligibility for benefits.

DeNucci's audit found significant error rates in records relating to how many recipients were meeting work requirements, having children immunized, properly signing and dating their applications, and identifying absent non-custodial parents.

DeNucci's audit, which reviewed a statistically valid random sample of 197 cases, disclosed these problems:

- There was a 21 percent error rate in supporting documentation to verify that recipients are meeting employment requirements, creating the potential for as much as \$3 million in overpayments per year.
- There was a 19 percent error rate in verification of immunization and school attendance records for children of TAFDC recipients, creating the potential for as much as \$11 million in overpayments per year. The lack of accurate immunization information also places children at risk for communicable diseases.
- A 15 percent error rate existed regarding missing or incomplete supporting documentation for properly signed and dated applications for benefits, placing into question whether these people were legally receiving payments. Without proper corrective measures and improved monitoring, the possible risk of overpayments could exceed \$35 million per year.
- There was a 10 percent error rate in supporting documentation for the requirement that recipients identify absent non-custodial parents to ensure compliance with child support obligations, creating the potential for \$6 million in overpayments per year.

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DeNucci's report also tested the computerized system that DTA uses to make key decisions on such matters as screening, assessments, case management, benefits and family resource services, and found these problems:

- Recipients received questionable benefits without a valid Social Security number because DTA failed to re-verify eligibility information. DTA assigns temporary numbers enabling new recipients to receive benefits pending the issuance of permanent Social Security numbers, but of 75 individuals tested, 23 (or 30 percent) had no record of a Social Security application within four months of the start of benefits. Another nine listed in the computerized system had no record of any Social Security number for as long as six years.
- Testing of a sample of 25 recipients found that two ineligible non-citizens had received TAFDC benefits for up to six months. Upon notification, DTA identified another 76 ineligible non-citizens who possibly may have been improperly receiving TAFDC benefits. The audit attributed this in part to a breakdown of internal controls related to the computerized system.

DeNucci further stated that controls needed to be strengthened to ensure that automated systems could be recovered to process payments should computer equipment or facilities be damaged due to a fire or other disaster.

In fiscal year 2004, the TAFDC program provided a total of \$315 million in financial assistance to about 112,000 individuals living in 49,000 households.

"The Department of Transitional Assistance should ensure that all supporting documentation in case files is constantly updated to confirm recipient eligibility," said DeNucci. "This is essential to maintain the integrity of this important program."